

SIKKIM



GOVERNMENT

GAZETTE

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**GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK**

No. 1/LD/16

Dated: 23/04/2016

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received assent of the Governor on 29th day of March, 2016 is hereby published for general information:-

**THE SIKKIM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(AMENDMENT) ACT, 2016
(ACT NO. 1 OF 2016)
AN
ACT**

to amend the Sikkim Fiscal Responsibility and Budget Management Act, 2010.

Be it enacted by the Legislature of Sikkim in the Sixty-seventh Year of the Republic of India as follows:-

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|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short title and commencement | 1. (1) This Act may be called the Sikkim Fiscal Responsibility and Budget Management (Amendment) Act, 2016.
(2) It shall come into force at once. |
| Amendment of section 5 | 2. In the Sikkim Fiscal Responsibility and Budget Management Act, 2010, in sub-section (1) of section 5, -
(1) in clause (b) for the words "adhere to it thereafter" , occurring at the end , the following words , figures and brackets shall be substituted, namely :-
"fiscal deficit targets thereafter shall be as follows namely :-
(i) Fiscal deficit be anchored to an annual limit of 3 percent of Gross State Domestic Product. The flexibility of 0.25 percent |

over and above this for any given year is permissible if debt-Gross State Domestic Product ratio is less than or equal to 25 percent in the second preceding year.

- (ii) An additional borrowing limit of 0.25 percent of Gross State Domestic Product in a given year is permissible if the interest payments are less than or equal to 10 percent of the revenue receipts in the second preceding year.
- (iii) The two options under these flexibility provisions can be availed either separately, if any of the above criteria is fulfilled, or simultaneously if both the above stated criteria are fulfilled. Thus, a maximum fiscal deficit up to 3.5 percent of Gross State Domestic Product limit is permissible in any given year.
- (iv) The flexibility in availing the additional limit under either of the two options or both will be available if there is no revenue deficit in the year in which borrowing limits are to be fixed and the immediate preceding year.
- (v) If any sanctioned borrowing limit of 3 percent of Gross State Domestic Product in any particular year is un-utilised, then the un-utilised borrowing amount (calculated in rupees) can be availed in the following year but up to fiscal year 2019-20."

(2) for clause (d), the following clause shall be substituted, namely :-

"(d) reduce debt stock to 19.04 % of the Gross State Domestic Product (GSDP) within a period of (10) ten years commencing from the year 2010-2011 and ending on 2019-20, in the manner as mentioned below:-

Year	Maximum debt stock as per centum of Gross State Domestic Product (GSDP)
2010-11	68.40
2011-12	65.20
2012-13	62.10
2013-14	58.80
2014-15	55.90
2015-16	20.63
2016-17	20.09
2017-18	19.66
2018-19	19.32
2019-20	19.04

(Lakchung Sherpa) SSJS
L.R.-cum-Secretary,
Law Department.